

1 Q. **Reference: Schedule 1 - 2023 Capital Budget Overview**

2 Hydro provides on page 18, Table 5, a list of various capital proposals that were previously
3 deferred. What factors did Hydro take into account in making the original deferral decision and
4 what factors subsequently led to the decision to include the previously deferred projects in the
5 2023 Capital Budget?

6

7

8 A. Please refer to Table 1 for the listing of proposals previously deferred that are now included in
9 the 2023 Capital Budget Application (“CBA”) and associated explanations. In general,
10 Newfoundland and Labrador Hydro (“Hydro”) bases decisions for inclusion of investments in a
11 CBA on asset criticality, asset condition, risk of deferral to reliability, and operational efficiencies
12 such as outage alignment. If it is determined an investment cannot reasonably be deferred, it is
13 included in the current CBA.

Table 1: Previously Deferred Proposals

2023 Proposal	Reason for Original Deferral	Reason for 2023 CBA Inclusion
Inspect Synchronous Condenser 2 Major Inspection – Wabush Terminal Station	Refer to Hydro’s response to PUB-NLH-019 of this proceeding.	Adheres to original three-year cycle.
Upgrade Fire Suppression System – Bishop’s Falls	This was approved in the 2020 CBA and cancelled as the existing water system could not support the fire water system upgrades.	Analysis to appropriately complete the scope of work concluded, combined proposal with the required upgrades to the water system.
Purchase Capital Spares – Gas Turbine	Deferred as the proposed spare was not required.	Capital spares identified for 2023, covered by the Gas Turbine In-Service Failure proposal, as per Hydro’s response to PUB-NLH-023
Upgrade BioGreen Sewage System – Holyrood	Deferred to allow for additional analysis.	Analysis concluded
Refurbish Diesel Shop Building – Bishop’s Falls	Deferred to allow for additional analysis.	Analysis concluded
Upgrade Building Exterior – Postville	Deferred for pause of general plant investment evaluation.	Condition of asset requires it no longer be deferred.